107TH CONGRESS 1ST SESSION

H. R. 593

To amend the Internal Revenue Code of 1986 to treat a portion of welfare benefits which are contingent on employment as earned income for purposes of the earned income credit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

February 13, 2001

Mrs. Mink of Hawaii introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to treat a portion of welfare benefits which are contingent on employment as earned income for purposes of the earned income credit, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Work for Real Wages
- 5 Act".

1	SEC. 2. PORTION OF WELFARE BENEFITS CONTINGENT ON
2	EMPLOYMENT TREATED AS EARNED INCOME
3	FOR EARNED INCOME CREDIT.
4	(a) In General.—Paragraph (2) of section 32(c) of
5	the Internal Revenue Code of 1986 (defining earned in-
6	come) is amended by adding at the end the following new
7	subparagraph:
8	"(C) If—
9	"(i) as a condition of receiving any
10	payment or other amount under a State
11	program funded under part A of title IV of
12	the Social Security Act, the eligible indi-
13	vidual is required to perform services for
14	any person or any governmental unit (or
15	agency or instrumentality thereof), and
16	"(ii) such individual receives no com-
17	pensation (other than such payment or
18	other amount) for performing such serv-
19	ices,
20	then the term 'earned income' includes an
21	amount equal to the product of the number of
22	hours during the taxable year that such services
23	are performed and the minimum wage rate ap-
24	plicable to the individual under section $6(a)(1)$
25	of the Fair Labor Standards Act of 1938 (de-
26	termined without regard to section 3(m) of such

Act). The preceding sentence shall also apply
for purposes of sections 21 and 129 (relating to
dependent care credit and assistance)."

(b) Effective Date.—The amendment made by

subsection (a) shall apply to taxable years beginning after

6 the date of the enactment of this Act.

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